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Waldo A. Gillette, Jr.; Presson Vera OC Land
Group, a California Unincorporated Association
And Sylvia and Frank Boisseranc*

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
NORTHERN DIVISION**

In re:

HVI CAT CANYON, INC.,

Debtor.

Case No. 9:19-bk-11573-MB
(Chapter 11)

**COMMENTS OF GOODWIN "A"
MINERAL OWNERS GROUP; WALDO
A. GILLETTE, JR.; PRESSON VERA
OC LAND GROUP, AND SYLVIA AND
FRANK BOISSERANC ON MOTION
TO ABANDON OR IN THE
ALTERNATIVE SURRENDER
UNSOLD MINERAL AND SURFACE
LEASES**

Date: October 5, 2020
Time: 10:00 a.m.
Dept: 1415 State Street, Ctrm 201
Santa Barbara, CA 93101
Judge: Martin R. Barash

1 TO THE HON. MARTIN R BARASH, UNITED STATES BANKRUPTCY JUDGE,
2 AND ALL INTERESTED PARTIES: CREDITORS GOODWIN "A" MINERAL OWNERS
3 GROUP; WALDO A. GILLETTE, JR.; PRESSON VERA OC LAND GROUP; AND SYLVIA
4 AND FRANK BOISSERANC HEREBY COMMENT ON THE TRUSTEE'S MOTION TO
5 ABANDON OR IN THE ALTERNATIVE SURRENDER UNSOLD MINERAL LEASES AND
6 UNSOLD SURFACE LEASES.
7

8 INTRODUCTION

9 We support the motion to surrender unsold mineral leases and unsold surface leases to the
10 persons or entities who are entitled to them¹. We vigorously oppose the abandonment of any of
11 those unsold leases. Abandoning them would return them to the control of Randeep Grewal who
12 has victimized these mineral owners and surface owners—as well as others-- for most of the last
13 twenty years. To put it mildly, that would be a gross perversion of justice.
14

15 ARGUMENT

16 There are two reasons why the unsold oil and gas leases must be surrendered to the
17 mineral owner or owners entitled thereto and not abandoned back to the control of Randeep
18 Grewal, The first is that the leases are not and for some time have not been producing in paying
19 quantities. Therefore, the leases have terminated and must be surrendered under California law.
20 Second, under 11 USC 365 (d) (4) (A) upon rejection of an unexpired lease the trustee must
21 surrender the property to the lessor.²

22 Turning to the first reason, the trustee agrees that he is "operating the Debtor at a loss and
23 he does not have any resources in the estate to maintain any unsold Assets..." (Motion for
24

25 ¹ The motion only refers expressly to surrendering mineral leases. We assume this is an
26 oversight for unsold surface leases supporting terminated oil and gas leases should also go back
to the surface owners, not to Randeep Grewal or any of his entities.

27 ² We realize that the court has not yet ruled on the Trustee's section 365 motion for summary
28 judgment, but here the trustee is purporting to act under Section 365.

1 Abandonment page 19 line 21) Very clearly the unsold assets are not operating in paying
2 quantities or they would not remain unsold and the Trustee would not be seeking to abandon or
3 surrender them. Moreover, the Trustee apparently agrees that these leases contain habendum
4 clauses providing that they terminate when they are no longer producing in paying quantities.
5 (See Trustee's Motion for Summary Judgment in his Section 365 adversary proceeding page 13
6 lines 23-28). The Trustee agrees that surrender makes sense here where "the contracts and/or
7 leases generally provide that upon termination of the leasehold the leasehold is relinquished to
8 the lessor and the lessee is required to restore the land and/or perform some form of
remediation." (Motion to Abandon, page 20 lines 3-9)

9 Accordingly, the proper remedy under California law is to surrender any unsold oil and
10 gas leases, as well as any related surface leases, back to the current lessors rather than abandon
11 them back to the control of Randeep Grewal.

12 Turning now to the second reason, the trustee plans to reject and terminate any unsold oil
13 and gas lease, and apparently, any unsold related surface lease, under Section 365. Under
14 Section 365 (d) (4) (A) the proper disposition of a terminated lease is to surrender the leased
15 property to the lessor.

16 Accordingly, once again, the proper remedy under the Bankruptcy Code is to surrender
17 any unsold oil and gas leases, as well as any related surface leases, back to the current lessors
18 rather than abandon them back to the control of Randeep Grewal.

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CONCLUSION

We respectfully submit that the Court should grant the motion to surrender unsold oil and gas leases and any related surface leases back to the lessor or lessors leaving any plugging, abandonment and decommissioning obligations to the lessee. We also respectfully submit that the Court should deny the alternative motion to abandon any unsold oil and gas leases or any related surface leases back to the Debtor.

Dated: September 21, 2020,

Respectfully submitted,
Edward S. Renwick
Hanna and Morton LLP.

By: 

Edward S. Renwick
Attorney for Defendants and Creditors;
Goodwin "A" Mineral Owners Group, a
California Unincorporated, and Waldo A.
Gillette, Jr.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

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A true and correct copy of the foregoing document entitled:

**COMMENTS OF GOODWIN “A” MINERAL OWNERS GROUP; WALDO A. GILLETTE, JR.;
PRESSON VERA OC LAND GROUP, AND SYLVIA AND FRANK BOISSERANC ON MOTION TO
ABANDON OR IN THE ALTERNATIVE SURRENDER UNSOLD MINERAL AND SURFACE
LEASES**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* **September 21, 2020**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

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2. SERVED BY UNITED STATES MAIL:

On (date) **September 21, 2020**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **September 21, 2020**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

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☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Irma Aguilar

Date

Printed Name

/s/ Irma Aguilar

Signature